

LOS ANGELES TIMES
9 July 1980

Fugitive Swindler Seeks Job With CIA

By JACK JONES

Times Staff Writer

SAN DIEGO—Rancho Santa Fe financier Walter Wencke, 55, a fugitive since last October when he failed to surrender to begin a five-year prison term for fraud, has applied for a job with the CIA, it was disclosed Tuesday.

Wencke's letter of application, to which he attached a copy of a newspaper article detailing the ingenuity of the corporation looting scheme for which he was convicted, was produced in U.S. District Court here by Securities and Exchange Commission attorney Ernest T. Kaufman.

U.S. Magistrate Harry R. McCue called the April 2, 1979, job-hunting letter, in which Wencke offered to work as a spy rather than serve his prison terms, "rather bizarre."

Kaufmann was questioning Cathryn Wencke, the fugitive's former wife, in the SEC's attempt to learn what stocks and other assets may still be in the possession of Wencke family.

A court-appointed receiver is trying to round up funds diverted to Wencke-owned companies for return to three publicly held corporations the government showed were victimized in the plot.

Michael C. Zybala, an attorney for that receiver, traced for McCue the prolonged campaign to force Cathryn Wencke to turn over boxes and even truckloads of documents and stock certificates—most of them finally surrendered by her in late June.

Then Kaufmann asked her if she had had any recent direct or indirect contact with her former husband. She said no.

"Do you know where he is?" Kaufmann demanded.

No.

"Do you have any knowledge of what he is doing to earn a living?"

Again, the answer was no.

Nor did she recall knowing that he had offered his services to any government agency. Not, that is, until Kaufmann brought out the letter to the CIA and asked her whether she had typed it.

"I may have typed something," she conceded.

Kaufmann noted that the letter had been addressed to "Personnel Representative, Dept. A., Room 821-W-4, P.O. Box 1925, Washington, D.C. 20013" and asked her if that was not the address for the CIA's personnel department.

"I don't know," she replied.

A clearly unhappy McCue said, "Now, Mrs. Wencke. Come on."

In the letter, Wencke contended that he has "the unique capability of walking through a Chinese, Russian or Japanese manufacturing plant and making an accurate assessment of its actual and potential production."

He could, he wrote, "enter into those plants in the guise of purchasing from or selling to them."

He noted in the letter that he has owned "over 40 businesses, including machine shops, computerized bookkeeping, tuna boats, banks, savings and loan associations, boat manufacturing companies, etc."

He claimed to have a background of Chinese, Japanese, Russian and other languages. He added:

"My primary business was the investigation and acquisition of financially troubled companies," and said he has "a depth of practical business experience."

The newspaper article he submitted to support all that was headlined, "Fraud Puts an Empire in Shambles."

Noting that he was about to begin serving a sentence at Lompoc Federal Prison for fraud, Wencke told the CIA:

"Rather than spending this period in Lompoc playing tennis or playing cards, I would prefer to spend it productively utilizing my knowledge for the benefit of the government."

He concluded, "Frankly, I do not believe that the CIA has anyone that has this unique combination of business and language experience."

Kaufmann declined to say where he obtained the copy of the letter, but another attorney said it was discovered among the load of documents delivered by Josephine Wencke in response to the most recent order to show cause why she should not be held in contempt.

McCue noted that she displayed "a miraculous recovery of her memory" once Kaufmann produced the letter to the CIA and agreed with the lawyer that she must have remembered it clearly.

"When he (Wencke) comes up with a proposal to serve in the CIA rather than go to jail," McCue said, "that is rather bizarre."

At one point, the magistrate told her, "All we're interested in here is carrying out the mandate of the law, and we're going to get it. We cannot stand for strategies by clever people."